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November 13, 2001

Mr. Andrew Stephens  
Director of Steel Trade Policy  
Office of United States Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

Re: *CAB Inc.'s and CAB Flange Manufacturing Inc.'s Request to Exclude low Pressure Ring Flanges from Steel Remedy*

Dear Mr. Stephens:

This letter is submitted on behalf of CAB Inc., a U.S. importer, and its related U.S. producer, CAB Flange Manufacturing Inc. (collectively "CAB") in accordance with the Office of the U.S. Trade Representative's Notice of Request for Public Comments on Potential Action Under Section 203 of the Trade Act With Regard to Imports of Certain Steel, 66 Fed. Reg. 54321 (Oct. 21, 2001). CAB requests that imports of certain carbon steel *low pressure ring flanges* be excluded from any remedy action undertaken by the President in the steel case.

This letter is comprised of two sections. Section I provides the specific information requested in USTR's *Federal Register* notice, and Section II offers additional legal analysis. Attached to this letter are five exhibits: Exhibit 1 provides a copy of the testimony of Congressman Nathan Deal before the International Trade Commission (ITC) in support of CAB's exclusion request; Exhibit 2 provides a copy of the testimony of Congressman Johnny Isakson before the ITC in support of CAB's exclusion request; Exhibit 3 provides the Declaration of Cal-Pipe, a customer on the West Coast; Exhibit 4 provides the Declaration of Mid-America, a customer in the Mid-West; and Exhibit 5 is a picture demonstrating the physical difference between a low pressure ring flange and a hubbed flange.

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PUBLIC VERSION

**I. Information Requested in USTR's *Federal Register* Notice****A. Product Designation and HTS Classification**

Most, if not all, low pressure ring flanges are made to American Water Works Association ("AWWA") specifications, though no certification from the producer is required. It may be easier to explain those specifications low pressure ring flanges are not produced to meet. In particular, low pressure ring flanges are not produced to meet any ANSI or other high-pressure vessel specification or standard, whereas virtually all of the flanges produced by those domestic producers seeking import relief are produced to meet such standards. Low pressure ring flanges serve vastly different markets than ANSI or similar specification flanges.

All carbon steel flanges enter under two HTS classifications -- 7207915050 and 7307915010. Low pressure ring flanges are but a small percentage of the total import tonnage captured by these two HTS classifications.

**B. Product Description**

Low pressure ring flanges can be described as follows:

Carbon steel ring flanges, *with no hub on the back* side of the flange, used for low pressure (300 psi or lower) applications in water and wastewater plants and piping, irrigation systems, mining slurry lines, OEM exhaust components, backing flanges, or for structural and not pressure rated use. Not intended for use in oil and gas transmission piping, OCTG, or other high pressure applications.

A key distinction in the physical properties of low pressure ring flanges is the fact that they are of hubless design -- *i.e.*, they are flat rings. This distinguishes low pressure ring flanges from nearly all of the flanges those domestic producers seeking import relief produce. The distinction is illustrated in Exhibit 5 to this letter. Moreover, except for some of the heaviest classifications, low pressure ring flanges are typically cut from steel plate as opposed to machined from steel forgings. CAB estimates that roughly 80 percent of the market for low pressure ring flanges is served by *plate* low pressure ring flanges, whereas those domestic producers seeking import relief are preoccupied with forged flanges and actually lack the equipment to produce plate flanges.

**C. Basis For The Exclusion**

The basis for requesting the exclusion of low pressure ring flanges is simple and straightforward: An adequate supply of low pressure ring flanges is not available from U.S. producers. Consequently, imposing import restraints on low pressure ring flanges would cause substantial harm to U.S. consumers without any benefit at all to U.S. producers.

(1) *U.S. producers cannot meet demand for low pressure ring flanges*

CAB produces and imports low pressure ring flanges for a handful of end uses, such as low pressure water / waste water transport, mining and OEM exhaust equipment. It places a production emphasis on low pressure water works, applications, fabricating flanges to AWWA specifications. CAB is aware of only three other domestic producers who serve and are committed to these markets and other markets with similar grade and specification requirements: Signal Metals, Coastal Flange, and Pacific Coast Flange. The public file at the ITC reveals that none of these producers participated in the ITC's investigation to seek import restraints on low pressure ring flanges.

In contrast, those domestic producers that have appeared in this investigation and are seeking import relief generally produce higher grade forged flanges made to ANSI specifications and / or other higher end pressure vessel type flanges. These products are not commercial substitutes for the low pressure ring flanges CAB produces and imports given their substantially higher costs. For example, ANSI forged flanges are over twice as expensive as AWWA flanges of comparable dimension.

Those domestic flange producers seeking import relief in this investigation are not, and have not been for at least the past decade, commercial producers of low pressure ring flanges. This is confirmed by the attached declarations of Mr. Dennis Rinearson, President of California Pipe Fabricators, Inc., and Mr. David Cox, Vice President of Engineering and Sales at Mid-America Pipe. These are two of the largest single consumers of low pressure ring flanges in the country who obviously know the market for this product. Not surprisingly, during the course of this investigation at the International Trade Commission, those producers seeking import relief consistently failed to articulate any concern or even awareness of the market for low pressure ring flanges, despite CAB's own repeated submissions outlining the requested exclusion.

It is important to make a distinction that not all flanges or producers are the same, and capacity is not interchangeable. CAB produces low pressure ring flanges, the vast majority of which are produced from steel plate. The three domestic flange producers seeking import relief focus on hubbed, forged flanges. Forged flange manufacturers avoid the low pressure ring flange market because it often calls for plate flange production, and often in diameters these manufacturers cannot produce. For example, using a segmented, welded construction process, CAB has the capability to produce low pressure ring flanges up to 197 inches in diameter. In contrast, Boltex (a flange producer seeking import restraints) indicated to the International Trade Commission that it has machining capability to make flanges up to only 72 inches in diameter.<sup>1</sup>

(2) *Import restraints would harm consumers without any benefit to U.S. producers*

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<sup>1</sup> ITC Remedy Hearing Transcript at 785 (electronic version).

As stated, those domestic flange producers seeking import relief neither compete in the market for low pressure ring flanges nor have the capability to do so. Meanwhile, CAB is able to service the low pressure ring flange market because it can augment its own domestic production with imports, allowing it to maintain production flexibility, meet its customers' wide-ranging requirements, and operate at an optimum level of capacity.

The low pressure ring flange market is a small market. Products are primarily supplied to water and waste water projects that create periodic and very large spikes in demand across a variety of flange dimensions. It makes no economic sense to increase capacity to meet peak demand across all of these dimensions. This is particularly true given that maintaining skilled labor capable of overseeing short production runs and frequent reconfiguration of equipment for the next production run has proven extremely difficult. CAB offers its customers a wider range of supply and ensures a higher quality of supply than would be possible from just its own domestic production capacity.

The fact remains that the combined capacity of all four domestic producers in the LPRF market, including CAB, is not remotely sufficient to meet U.S. demand. Imports are necessary and do not harm the domestic industry. Both Coastal Flange and Signal Metals have been in the market for years and Pacific Coast Flange began operations in 1996. Over the past five years no domestic producer of low pressure ring flanges has left the market, and each producer has made limited increases in capacity.

Accordingly, limiting imports would be highly disruptive to CAB's business, and the business of numerous consumers. Once again, this is evidenced by the attached declarations of Mr. Rinearson and Mr. Cox, who represent major LPRF consumers. Mr. Cox's declaration illustrates the depth of the disruption given the close relationship between low pressure ring flanges and municipal water and waste water system projects. As Mr. Cox states:

"Water and waste water pipe installation is largely driven by municipal planning. Municipal projects are often budgeted and bid 12 to 24 months in advance of installation. In the process, tax policy may change to accommodate the project expense, and / or financing vehicles such as municipal bonds may be issued. Import restraints would disrupt the planning involved to fund the project since budgeted funds would be based on the historical costs of low pressure ring flanges.

Any disruption caused by the costs of import restraints could significantly delay the municipal infrastructure projects we service and cost taxpayers."

By including low pressure ring flanges in any remedy, those domestic producers seeking import relief would reap no resulting benefit. Rather, companies like CAB, its customers, and even municipalities and taxpayers would be unnecessarily penalized.

#### **D. Names Of Domestic And Foreign Producers**

There are four *domestic* producers of low pressure ring flanges that supply in commercial quantities. They include:

- CAB Flange Manufacturing, Inc.  
4161 Chamblee Road  
Oakwood, GA 30566
- Pacific Coast Flange  
Ukiah, California
- Signal Metals  
Irving, Texas
- Coastal Flange  
Houston, Texas

CAB is aware of the following *foreign* producers with which it has invested considerable time and money in training to be reliable sources of supply of the product CAB requires:

China	India	Romania
[		]

Other producers may exist, though CAB has focused on building relationships with the producers listed above.

#### **E. Total U.S. Consumption and Projections**

Based on its experience in the market for low pressure ring flanges, CAB estimates the following U.S. consumption and projected consumption figures:

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Value ('000)	[\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tonnage										]

#### F. Total U.S. Production

Based on its experience in the market for low pressure ring flanges, CAB estimates the following *total* U.S. production figures:

	1996	1997	1998	1999	2000
Value	[\$	\$	\$	\$	\$
Tonnage					]

#### G. Commercial Substitutes

There are no commercial substitutes for low pressure ring flanges. ANSI and similar specification flanges might serve as mechanical substitutes in some applications, but their cost is not justified, being as much as 100 percent more expensive than low pressure ring flanges of comparable dimension.

## II. THE SAFEGUARDS STATUTE REQUIRES A NARROWLY TAILORED REMEDY AND THEREFORE AUTHORIZES THE EXCLUSION OF CARBON STEEL LOW PRESSURE RING FLANGES

The USTR's proposed remedy should avoid causing more economic harm than good to the national economy. Any 201 remedy should not deny steel consumers access to specialty products, unavailable from the domestic industry, that could not possibly cause or threaten serious injury to the domestic steel industry. The law mandates that the USTR's proposed remedy regarding these fairly traded imports be no more restrictive than necessary to prevent or remedy the serious injury or threat thereof.<sup>2</sup> Moreover, the President may only implement relief that bestows greater benefits on producers than harm on consumers. The law and the facts demonstrate that the USTR has the responsibility and the ability to craft just such a remedy in this case.

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<sup>2</sup> 19 U.S.C. § 2253 (a)(3)(C).

The USTR has ample statutory authority to exclude products from its proposed remedy that do not cause or threaten serious injury to the domestic industry. Under section 203, the President must balance the economic welfare of the country – including the interests of other industries and consumers – against that of the affected domestic industry, and “take all appropriate and feasible action within his power {to} facilitate efforts by the domestic industry to make a positive adjustment to import competition *and provide greater economic and social benefits than cost.*”<sup>3</sup> Accordingly, the President must consider “the short and long term economic and social costs of the actions authorized . . . relative to their short and long term social benefits and other considerations relative to the position of the U.S. industry in the U.S. economy.”<sup>4</sup> The President must also consider “other factors related to the national economic interest of the United States, including, but not limited to . . . the effect of the implementation of actions . . . on consumers and on competition in domestic markets.”<sup>5</sup>

Under these balancing tests, Presidents Reagan and Carter refused to provide import relief under section 203 when they determined that it was not in the national interest. President Reagan decided not to provide any import relief in *Nonrubber Footwear* because he determined that the benefits to the industry would be temporary and outweighed by the costs to consumers and international trade.<sup>6</sup> President Reagan also declined to provide import relief in *Copper*, because doing so would have seriously disadvantaged the copper fabricating industry, which employed 106,000 workers.<sup>7</sup> President Carter determined that providing import relief would not be in the national economic interest in *Certain Stainless Steel Flatware* and in *Bicycle Tires and Tubes* because sectors of the relevant domestic industries were considered competitive and profitable.<sup>8</sup> In *Certain Fishing Tackle*, President Carter denied import relief because market conditions had improved.<sup>9</sup> In *Unalloyed Unwrought Copper*, President Carter found that providing import relief would have undermined the competitiveness of the U.S. copper-fabricating industries and had a widespread inflationary impact.<sup>10</sup>

The USTR must keep these presidential prerogatives in mind when crafting a remedy, and ensure that its recommendations would not unduly harm steel consumers, cost more

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<sup>3</sup> 19 U.S.C. § 2253(a)(1)(A) (emphasis added).

<sup>4</sup> 19 U.S.C. § 2253(a)(2)(E).

<sup>5</sup> 19 U.S.C. § 2253(a)(2)(F)(ii).

<sup>6</sup> Nonrubber Footwear Industry: Message to the Congress, 1985 Pub. Papers 1009 (Aug. 28, 1985).

<sup>7</sup> Copper Import Relief -- Letter to the speaker of the House and the President of the Senate, 20 Weekly Comp. Pres. Doc. 1240 (Sept. 6, 1984).

<sup>8</sup> *Operation of the Trade Agreements Program*, USITC Pub. 1021 at 4 (1978).

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

jobs than might be preserved, or needlessly fuel inflation. These considerations are especially relevant to this case because the subject merchandise is incredibly broad and varied, consisting of many different products, used in diverse applications, and not all of which are made by the domestic industry.

Indeed, there is substantial precedent in this very proceeding to exclude specialty products from any 201 remedy. Annex II to the U.S. Trade Representative's request for investigation specifically excluded many products that are not available from U.S. producers. These exclusions reflected a recognition by the government that certain products whose imports do not injure the domestic industry should be excluded from the scope of this case.

Such recognition is not surprising. Product exclusions are a common occurrence in Section 201 cases. President Clinton excluded art line pipe from the remedy in *Certain Circular Welded Carbon Quality Line Pipe*.<sup>11</sup> Also, President Reagan approved several exemptions in *Certain Stainless Steel and Alloy Tool Steel*, stating:

"I determined to impose additional tariffs and quantitative restrictions, with exemptions for certain articles which are not produced in the United States or are produced in such small quantities that their exemption would not have an adverse impact on the domestic industry."<sup>12</sup>

This standard established by President Reagan is sound and should be used a guide for excluding products in this investigation.

The President is not limited to the exclusions recommended by the Commission. It is yet unclear whether the Commission will recommend exclusion of any products. Indeed, the Commission discouraged parties from discussing exclusion requests during the public remedy hearings. If the Commission does not make any recommendations regarding exclusions, it is vital that the USTR take an aggressive role in pursuing exclusions.

The President has the authority to exclude more products than what the Commission has excluded in its remedy recommendations. For example, in *Certain Steel Wire Rod*, Commissioners recommended that certain specialty products should be excluded because purchasers would be needlessly affected by relief on products that were not available from domestic producers or in sufficient quantities to satisfy demand.<sup>13</sup> The President agreed,

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<sup>11</sup> See Proclamation No. 7274, 65 Fed. Reg. 9196 (Feb. 18, 2000).

<sup>12</sup> See Proclamation No. 5074, 48 Fed. Reg. 33233 (July 19, 1983) (emphasis added).

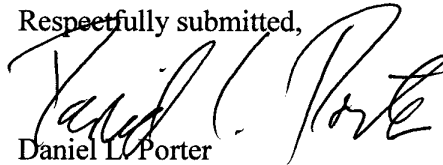
<sup>13</sup> *Certain Steel Wire Rod*, TA-201-69, USITC Pub. 3207 at I-56 (Jul. 1999) (separate views of Chairman Miller and Commissioner Koplan).



excluding several more specialty products from the relief -- over the objections of domestic producers.<sup>14</sup>

Thus, the President has the demonstrated authority, consistent with his statutory obligations, to craft a remedy that excludes products that neither substantially cause nor threaten serious injury to the domestic industry. CAB's production and importation of low pressure ring flanges meet this standard. Thus, imports of low pressure ring flanges should be excluded from any remedy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel L. Porter", written over the typed name.

Daniel L. Porter

Counsel to CAB

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<sup>14</sup>

*See Proclamation No. 7273, 65 Fed. Reg. 8621 (Feb. 18, 2000); Technical Correction to the Harmonized Tariff Schedule of the United States, 65 Fed. Reg. 13,815 (USTR Mar. 14, 2000).*

**EXHIBIT 1**

**Testimony of Congressman Nathan Deal**

**ITC HEARING TRANSCRIPT -- TESTIMONY OF CONGRESSMAN DEAL**

“Good morning. Mr. Chairman and members of the committee, thank you for allowing me to testify here today.

I appreciate the significance of this proceeding and the fact that the U.S. steel industry is experiencing a very painful period. If this Commission can address the problem that faces the industry and bring about a positive adjustment to import competition, then of course I, like all others, urge you to do so.

My concern is the sheer complexity and scope of this case. It makes it difficult to distinguish between proper points of action and decisions that may actually have a harmful effect on a number of businesses involved in producing, importing and consuming steel. Many of these businesses are small, but competitive enterprises. They support jobs and serve other enterprises that are also no less important and often are more important to the health of local communities than some of the firms here seeking import relief. Because they are small, however, it is easy for them to get lost in the shuffle of this massive proceeding.

One of these companies, CAB, Inc., is in my rural Congressional district in Georgia. CAB has been active over the course of this entire investigation and is present today to answer your questions. I strongly encourage the Commission to read CAB's submissions.

CAB is concerned that a broad brush remedy in this case would unnecessarily impair a business which they have labored to build over the past two decades. They sell both imported flanges and flanges made by their related manufacturing operations in Texas. Their history is one of entrepreneurship and hard work. They found a market, and they serve it well; a market which many have chosen not to serve, but its customers rely on their supply.

What I understand from CAB is that their situation is highly relevant to this investigation. Allowing CAB to continue its business unimpaired by import restraints would have no effect on the broader U.S. steel flange industry. Import packages that are intended for relief and yet placed upon CAB and companies like it will only harm their interest and the interest of their customers with no resulting benefits. Such an outcome would be an inappropriate remedy both for CAB and the steel consumers that they serve.

CAB is one company, but there are many others like them that may be facing a similar situation. It is important that a trade remedy not sweep these companies up without a very good cause. The Commission has performed an incredible task getting to this point of the process, and no doubt you have considerable work ahead. I am confident that a final remedy recommendation will be reasoned and tailored to fit the problem at hand.

Again, let me thank you for allowing me to be with you today. I appreciate the opportunity to appear here. Thank you.”

## **EXHIBIT 2**

### **Testimony of Congressman Johnny Isakson**

**ITC HEARING TRANSCRIPT -- TESTIMONY OF CONGRESSMAN ISAKSON**

“I thank the Commission for allowing me this opportunity and particularly thank Chairman Koplan for his prompt response to my letter in August regarding this issue and completely appreciate the responsibility the Commission has today to submit recommendations to the President of the United States regarding the import of steel.

I have submitted a written statement, and I won't be redundant and read it. I would like to amplify it with a couple of comments if I might.

First, I associate my remarks entirely with Congressman Deal. I, too, represent a Congressional district in Georgia, and some of the employees and ownership of CAB, Inc., are people with whom I have become very familiar not only as individuals, but with the unique product that they produce and the industry they serve. They import tower rings which are used in the very unique wind energy industry and towers for that infrastructure, and they also use ring flanges made of steel in the wastewater treatment, mining industry and water distribution industry.

This is a very unique product. There are only four producers in the United States of America. It is also not a consistent flow of demand. Therefore, when peak orders come in it is necessary for these companies to supplement their supply of these flanges and these rings with those that are produced of steel overseas.

Understanding the regulatory nature and importance to the American domestic steel industry, I completely understand why it's important for us to prohibit dumping on our marketplace and to help stabilize our domestic steel industry. However, I would respectfully ask that the Commission consider that there are some finished, fine, unique niche steel products which are essential to the infrastructure of the United States of America which without the ability to freely import would greatly halt the continuity of installation of wastewater treatment, water treatment and, in the west, the critical wind energy issue which is there.

I respectfully ask the Commission to consider that, the testimony of CAB and other members of Congress that have addressed this issue, and appreciate again very much the timely responses to my inquiries of the Commission.”

## **EXHIBIT 3**

### **Declaration of Dennis Rinearson**



**DECLARATION OF DENNIS RINEARSON**

1. My name is Dennis Rinearson. I am the President of California Pipe Fabricators, Inc. California Pipe is a fabricator of water and wastewater piping systems located in Northern California. We are one of the top five single biggest consumers of carbon steel low pressure ring flanges in the United States. Personally, I have more than 25 years of experience in buying ring flanges.
2. The ring flanges that we buy are incorporated into the wastewater piping systems that we sell. Our water and wastewater piping systems require a wide range of flange dimensions. For example, in 2000 we purchased more than \$500,000. in ring flanges ranging in size from 2" to 120" normal pipe size.
3. Our difficulty is that we are simply not able to obtain all of the sizes that we need from domestic producers on a reliable basis in sufficient quantities. Accordingly, the possibility of import restraints on flange imports threaten to significantly raise the costs of our operations and curtail our supply for flanges.
4. There is only one significant producer of low pressure ring flanges in the West Coast market, Pacific Coast Flange. Pacific Coast's domestic production cannot supply all of our needs across all specifications and dimensions. And there is no alternative domestic supply within our geographic area who can service our "just in time" inventory requirement.
5. It is important to understand that, notwithstanding their low tech sounding name, supplying low pressure ring flanges for water and wastewater piping systems is not an easy business. Because of the great number of different sizes required, requiring plate burning, welding, machining and drill processes, low pressure ring flange suppliers are not able to benefit from long production runs. Rather, making low pressure ring flanges generally entails shorter production runs, and therefore more frequent machine and drill set ups. It is a difficult business that does not attract more sophisticated producers because of the small size of the industry.



6. Unfortunately, for us, there are very few U.S. producers that want to tackle the challenge of being a reliable supplier of low pressure ring flanges. Indeed, there is only one such supplier in the entire West Coast, and that supplier could not supply all our need if all plate flanges had to be manufactured domestically. And crossing the Rockies does not help. In addition to Pacific Coast there are only 3 other U.S. companies in the entire country that we are aware of that are in the business of offering low pressure ring flanges and none can supply to the West Coast reliably and consistently.

7. Other domestic flange producers like National Flange, Boltex and Weldbend do not even make the product used in our piping systems in anything approaching commercial quantities, if at all. They never have for at least the past decade. I do not believe that any of these companies have the production flexibility and capacity necessary to meet the requirements of an operation like California Pipe Fabricators.

8. Very simply, these U.S. companies cannot meet total demand from their domestic production operations. They must rely on imports to meet their customers' (like us) needs. I feel whatever steps are taken in this matter (I.E. tariffs on import plate flanges) need to be phased in, to diminish the great financial impact on companies such as ours.

9. Additionally, 90% of the flanges we purchase are incorporated in to projects such as water & wastewater treatment plant that have critical time constraints and would be adversely affected by having to rely solely on domestically produced flanges as well as other steel products.

Respectfully,

Dennis A. Rinearson

President

CALIFORNIA PIPE FABRICATORS



## **EXHIBIT 4**

### **Declaration of David Cox**

**DECLARATION OF DAVID COX**

1. My name is David Cox. I am the Vice President of Engineering and Sales at Mid-America Pipe. We are a major fabricator of water and waste water piping systems located in Scammon, Kansas. I have been in this business for over 30 years. Low pressure ring flanges, mostly made to the American Water Works Standard, are a necessary component of our piping systems. Because I am responsible for sourcing low pressure ring flanges, I know the market and the companies that supply the market very well.
2. We are one of the top five single biggest consumers of carbon steel low pressure ring flanges in the country and we purchase over \$500,000 of low pressure ring flanges from CAB Inc. and their related domestic production operations CAB Flange Manufacturing Inc annually. Without any hesitation, I can state that there are only a few firms like CAB that are in a position to supply low pressure ring flanges in commercial quantities for our operations in all of the sizes, specifications and volume we require. None are in a position to meet all of our requirements solely by means of domestic production.
3. National Flange, Boltex and Weldbend (from what I understand -- the only three domestic flange producers seeking import restrictions) do not supply this product in commercial quantities, if at all, nor do they even have the equipment to make many of the larger diameter low pressure ring flanges we require. They have never been players in this market. It is not a market that producers (even other flange producers) can easily enter. There is a learning curve involved and a need for skilled labor that can handle a wider range of equipment and the frequent equipment setups for the short production runs often associated with this product.
4. Imports are necessary to fill out our requirements on a cost effective basis. If import restraints are imposed, our costs could rise dramatically affecting many of our current projects, as there is simply is no alternative U.S. source which is a reliable, consistent and competitive source of our complete product requirements.
5. Water and waste water pipe installation is largely driven by municipal planning. Municipal projects are often budgeted and bid 12 to 24 months in advance of installation. In the process, tax policy may change to accommodate the project expense, and / or financing vehicles such as municipal bonds may be issued. Import restraints would disrupt the planning involved to fund the project since budgeted funds would be based on the historical costs of low pressure ring flanges.

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6. Any disruption caused by the costs of import restraints could significantly delay the municipal infrastructure projects we service and cost taxpayers. However, there would be absolutely no resulting benefit to flange producers who do not serve the market for low pressure ring flanges or even make the product. In short, restricting imports of low pressure flanges would impose significant costs on consumers without granting any benefit to the complaining flange producers.
7. CAB has been a reliable supplier of the product we need, both domestic and imported. They have the domestic capability to meet our specialized needs, particularly in the larger diameter ring flanges we often need. They also have the flexibility to meet all of our requirements across dimensions and specifications in large part because they augment their domestic production with import plate flanges.

Signed,

  
David Cox

## **EXHIBIT 5**

### **Picture of Low Pressure Ring Flange and Hubbed Flange**

